

AMENDED IN ASSEMBLY JUNE 24, 2014

AMENDED IN SENATE MARCH 25, 2014

**SENATE BILL**

**No. 1382**

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**Introduced by Senator Block**

February 21, 2014

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An act to amend Section 1569.185 of the Health and Safety Code, relating to care facilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 1382, as amended, Block. Residential care facilities for the elderly.

Existing law provides for the licensure and regulation of residential care facilities for the elderly by the State Department of Social Services. A violation of these provisions is a misdemeanor. Existing law sets forth the annual licensure fees to operate a residential care facility for the elderly and various other fees charged by the department. Existing law requires the department to deposit the fees collected into the Technical Assistance Fund to be used by the department, upon appropriation by the Legislature, to ensure the health and safety of individuals provided care and supervision by licensees and to support activities of the licensing program.

This bill would increase the annual licensure fees by ~~30%~~ 20% and would make related findings and declarations.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. The Legislature finds and declares all of the  
2     following:

(a) The quality of services provided to residents of a residential care facility for the elderly is dependent on the State Department of Social Services' ability to continue and enhance its licensing, regulatory, and disciplinary functions.

(b) After years of budgetary cutbacks, it is now imperative that the department be revitalized and given adequate resources to support its mandate to provide consumer protection.

(c) Failure to increase the fee amount by ~~30~~ 20 percent will result in continued lack of supervision and regulatory ~~discipline~~ discipline, which will undermine the care and services for residents.

SEC. 2. Section 1569.185 of the Health and Safety Code is amended to read:

1569.185. (a) An application fee adjusted by facility and capacity shall be charged by the department for the issuance of a license to operate a residential care facility for the elderly. After initial licensure, a fee shall be charged by the department annually on each anniversary of the effective date of the license.

The fees are for the purpose of financing activities specified in this chapter. Fees shall be assessed as follows:

|                    | Fee Schedule |            |
|--------------------|--------------|------------|
|                    | Initial      |            |
| Capacity           | Application  | Annual     |
| <del>1-3</del>     | _____        | _____      |
|                    | \$536.90     | \$536.90   |
| <del>4-6</del>     | _____        | _____      |
|                    | \$1,072.50   | \$536.90   |
| <del>7-15</del>    | _____        | _____      |
|                    | \$1,610.70   | \$804.70   |
| <del>16-30</del>   | _____        | _____      |
|                    | \$2,145.00   | \$1,072.50 |
| <del>31-49</del>   | _____        | _____      |
|                    | \$2,683.20   | \$1,341.60 |
| <del>50-74</del>   | _____        | _____      |
|                    | \$3,220.10   | \$1,610.70 |
| <del>75-100</del>  | _____        | _____      |
|                    | \$3,758.30   | \$1,878.50 |
| <del>101-150</del> | _____        | _____      |
|                    | \$4,295.20   | \$2,147.60 |

|    |                    |                        |                       |
|----|--------------------|------------------------|-----------------------|
| 1  | <del>151–200</del> | <del>_____</del>       | <del>_____</del>      |
| 2  |                    | <del>\$5,007.60</del>  | <del>\$2,503.80</del> |
| 3  | <del>201–250</del> | <del>_____</del>       | <del>_____</del>      |
| 4  |                    | <del>\$5,720.00</del>  | <del>\$2,860.00</del> |
| 5  | <del>251–300</del> | <del>_____</del>       | <del>_____</del>      |
| 6  |                    | <del>\$6,435.00</del>  | <del>\$3,217.50</del> |
| 7  | <del>301–350</del> | <del>_____</del>       | <del>_____</del>      |
| 8  |                    | <del>\$7,150.00</del>  | <del>\$3,575.00</del> |
| 9  | <del>351–400</del> | <del>_____</del>       | <del>_____</del>      |
| 10 |                    | <del>\$7,865.00</del>  | <del>\$3,932.50</del> |
| 11 | <del>401–500</del> | <del>_____</del>       | <del>_____</del>      |
| 12 |                    | <del>\$9,295.00</del>  | <del>\$4,647.50</del> |
| 13 | <del>501–600</del> | <del>_____</del>       | <del>_____</del>      |
| 14 |                    | <del>\$10,725.00</del> | <del>\$5,362.50</del> |
| 15 | <del>601–700</del> | <del>_____</del>       | <del>_____</del>      |
| 16 |                    | <del>\$12,155.00</del> | <del>\$6,077.50</del> |
| 17 | <del>701+</del>    | <del>_____</del>       | <del>_____</del>      |
| 18 |                    | <del>\$14,300.00</del> | <del>\$7,150.00</del> |
| 19 |                    |                        |                       |
| 20 |                    | <i>Fee Schedule</i>    |                       |
| 21 |                    | <i>Initial</i>         |                       |
| 22 | <i>Capacity</i>    | <i>Application</i>     | <i>Annual</i>         |
| 23 | <i>1–3</i>         | <i>\$495.60</i>        | <i>\$495.60</i>       |
| 24 |                    |                        |                       |
| 25 | <i>4–6</i>         | <i>\$990.00</i>        | <i>\$495.60</i>       |
| 26 |                    |                        |                       |
| 27 | <i>7–15</i>        | <i>\$1,486.80</i>      | <i>\$742.80</i>       |
| 28 |                    |                        |                       |
| 29 | <i>16–30</i>       | <i>\$1,980.00</i>      | <i>\$990.00</i>       |
| 30 |                    |                        |                       |
| 31 | <i>31–49</i>       | <i>\$2,476.80</i>      | <i>\$1,238.40</i>     |
| 32 |                    |                        |                       |
| 33 | <i>50–74</i>       | <i>\$2,972.40</i>      | <i>\$1,448.00</i>     |
| 34 |                    |                        |                       |
| 35 | <i>75–100</i>      | <i>\$3,469.20</i>      | <i>\$1,734.00</i>     |
| 36 |                    |                        |                       |
| 37 | <i>101–150</i>     | <i>\$3,964.80</i>      | <i>\$1,982.40</i>     |
| 38 |                    |                        |                       |
| 39 | <i>151–200</i>     | <i>\$4,622.40</i>      | <i>\$2,311.20</i>     |
| 40 |                    |                        |                       |

|    |         |             |            |
|----|---------|-------------|------------|
| 1  | 201–250 | \$5,280.00  | \$2,640.00 |
| 2  |         |             |            |
| 3  | 251–300 | \$5,940.00  | \$2,970.00 |
| 4  |         |             |            |
| 5  | 301–350 | \$6,600.00  | \$3,300.00 |
| 6  |         |             |            |
| 7  | 351–400 | \$7,260.00  | \$3,630.00 |
| 8  |         |             |            |
| 9  | 401–500 | \$8,580.00  | \$4,290.00 |
| 10 |         |             |            |
| 11 | 501–600 | \$9,900.00  | \$4,950.00 |
| 12 |         |             |            |
| 13 | 601–700 | \$11,220.00 | \$5,610.00 |
| 14 |         |             |            |
| 15 | 701+    | \$13,200.00 | \$6,600.00 |
| 16 |         |             |            |

17 (b) (1) In addition to fees set forth in subdivision (a), the  
 18 department shall charge all of the following fees:

19 (A) A fee that represents 50 percent of an established application  
 20 fee when an existing licensee moves the facility to a new physical  
 21 address.

22 (B) A fee that represents 50 percent of the established  
 23 application fee when a corporate licensee changes who has the  
 24 authority to select a majority of the board of directors.

25 (C) A fee of twenty-five dollars (\$25) when an existing licensee  
 26 seeks to either increase or decrease the licensed capacity of the  
 27 facility.

28 (D) An orientation fee of fifty dollars (\$50) for attendance by  
 29 an individual at a department-sponsored orientation session.

30 (E) A probation monitoring fee equal to the annual fee, in  
 31 addition to the annual fee for that category and capacity for each  
 32 year a license has been placed on probation as a result of a  
 33 stipulation or decision and order pursuant to the administrative  
 34 adjudication procedures of the Administrative Procedure Act  
 35 (Chapter 4.5 (commencing with Section 11400) and Chapter 5  
 36 (commencing with Section 11500) of Part 1 of Division 3 of Title  
 37 2 of the Government Code).

38 (F) A late fee that represents an additional 50 percent of the  
 39 established annual fee when a licensee fails to pay the annual

1 licensing fee on or before the due date as indicated by postmark  
2 on the payment.

3 (G) A fee to cover any costs incurred by the department for  
4 processing payments including, but not limited to, bounced check  
5 charges, charges for credit and debit transactions, and postage due  
6 charges.

7 (H) A plan of correction fee of two hundred dollars (\$200) when  
8 a licensee does not implement a plan of correction on or prior to  
9 the date specified in the plan.

10 (2) A local jurisdiction shall not impose a business license, fee,  
11 or tax for the privilege of operating a facility licensed under this  
12 chapter that serves six or fewer persons.

13 (c) (1) The revenues collected from licensing fees pursuant to  
14 this section shall be utilized by the department for the purpose of  
15 ensuring the health and safety of all individuals provided care or  
16 supervision by licensees and to support the activities of the  
17 licensing programs, including, but not limited to, ~~monitoring the~~  
18 *regular inspection of* facilities for compliance with licensing laws  
19 and regulations pursuant to ~~this chapter~~, *Section 1569.33*, and other  
20 administrative activities in support of the licensing program, when  
21 appropriated for these purposes. The revenues collected shall be  
22 used in addition to any other funds appropriated in the annual  
23 Budget Act in support of the licensing program.

24 (2) The department shall not utilize any portion of these revenues  
25 sooner than 30 days after notification in writing of the purpose  
26 and use, as approved by the Department of Finance, to the  
27 Chairperson of the Joint Legislative Budget Committee, and the  
28 chairpersons of the committee in each house that considers  
29 appropriations for each fiscal year. The department shall submit  
30 a budget change proposal to justify any positions or any other  
31 related support costs on an ongoing basis.

32 (d) A residential care facility for the elderly may use a bona  
33 fide business check to pay the license fee required under this  
34 section.

35 (e) The failure of an applicant for licensure or a licensee to pay  
36 all applicable and accrued fees and civil penalties shall constitute  
37 grounds for denial or forfeiture of a license.